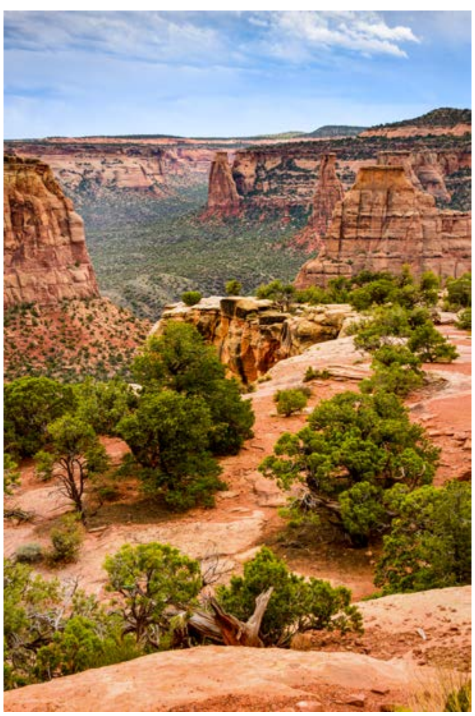
COLORADO OFFICE OF THE STATE AUDITOR

Schedule of TABOR Revenue Fiscal Year 2025

Performance Audit
October 2025
2557P



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OFFICE OF THE STATE AUDITOR

COLORADO

Working to improve government for the people of Colorado.

OFFICE OF THE STATE AUDITOR

KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

October 3, 2025

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Taxpayer's Bill of Rights (TABOR) Financial Report as of June 30, 2025, as certified by the State Controller on August 29, 2025. The audit was conducted pursuant to Section 24-77-106.5, C.R.S., which requires the State Auditor to conduct an annual audit of the TABOR Financial Report and certification prepared by the State Controller. The report presents our findings and conclusions from our audit.

Kerri L. Hunter

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Report Highlights

Schedule of TABOR Revenue

State of Colorado • Office of the State Controller
Performance Audit • October 2025 • 2557P

OFFICE OF THE STATE AUDITOR
COLORADO

Audit Conclusions

- The Office of the State Controller complied with applicable laws, rules, and regulations related to Section 24-77-101 through 109, C.R.S., in preparing the TABOR Financial Report and the certification required by Section 24-77-106.5, C.R.S.
- The TABOR Financial Report, as certified by the State Controller on August 29, 2025, agreed to the State's underlying accounting records for Fiscal Year 2025 that were contained in the State's accounting system as of August 29, 2025.
- Fiscal Year 2025 revenue is over the Excess State Revenues Cap by approximately $296.8 million. This amount will be decreased by prior year net over-refunds of excess state revenues of $3.5 million, resulting in a TABOR refund of $293.3 million that will be issued in Fiscal Year 2026.

Background

- The Taxpayer's Bill of Rights (TABOR) was added to the Colorado Constitution in the November 1992 general election.
- TABOR limits are increased based on the annual inflation rate plus the percentage change in Colorado's population growth rate.
- The State Controller is required to certify TABOR revenue to the Governor, General Assembly, and the Executive Director of the Department of Revenue no later than September 1 of each year.
- The State Controller's certification is used by the Office of the Governor, the General Assembly, and the Department of Revenue for planning and budgeting purposes.
- The Office of the State Auditor is required to audit the TABOR Financial Report by September 15 of each year.

OFFICE OF THE STATE AUDITOR

KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

September 15, 2025

The Honorable Jared Polis
Governor
State of Colorado

The Honorable Jeff Bridges
Chair
Colorado Joint Budget Committee

The Honorable Cathy Kipp
Chair
Colorado Senate Finance Committee

The Honorable William Lindstedt
Chair
Colorado House Finance Committee

Ms. Heidi Humphreys
Executive Director
Colorado Department of Revenue

Dear Sirs and Mesdames:

This letter summarizes the results of our audit of the Taxpayer's Bill of Rights (TABOR) Financial Report as of June 30, 2025, as certified by the State Controller on August 29, 2025. Please find attached the August 29 version of the following documents prepared by the Office of the State Controller (OSC): letter of certification from the State Controller, the Preliminary Schedule of Computations required under Article X, Section 20 as of June 30, 2025, [Unaudited]; and the Comparison of Nonexempt TABOR Revenues for the Fiscal Year Ended June 30, 2025, [Unaudited] (collectively referred to as the TABOR Financial Report or Schedule). Our audit was conducted under the authority of Section 24-77-106.5, C.R.S., which requires the State Auditor to conduct an annual audit of the TABOR Financial Report and certification prepared by the State Controller, and report the results no later than September 15.

Pursuant to Section 24-77-106.5, C.R.S., for each fiscal year, the State Controller shall prepare the TABOR Financial Report for the purpose of ascertaining the State's compliance with the constitutional provisions of TABOR. Based on the TABOR Financial Report, the State Controller is required to certify to the Governor, the General Assembly, and the Executive Director of the Department of Revenue—no later than September 1st subsequent to the end of the previous fiscal year—the following:

- Amount of state revenues in excess of the limitation on state fiscal year spending (known as the Fiscal Year Spending Limit) imposed by Article X, Section 20(7)(a) of the Colorado Constitution.

- Amount of state revenues in excess of such limitation that the State is authorized to retain and spend pursuant to voter approval of Section 24-77-103.6, C.R.S. (Excess State Revenues Cap).

Audit Objective. We followed generally accepted government auditing standards when conducting our audit. The objective of our audit was to determine whether the State Controller complied with applicable laws, rules, and regulations related to Sections 24-77-101 through 109, C.R.S. in its preparation of the TABOR Financial Report and the certification required by Section 24-77-106.5, C.R.S.

Audit Conclusion. Based on the results of our audit, except as noted in the following section, we determined that the TABOR Financial Report, as certified by the State Controller on August 29, 2025, agreed to the State's underlying accounting records for Fiscal Year 2025 that were contained in the State's accounting system as of August 29, 2025. Except as noted in the following section, we noted no exceptions related to the State Controller's preparation and certification of the TABOR Financial Report in accordance with applicable laws, rules, and regulations related to Sections 24-77-101 through 109, C.R.S.

We identified the following exceptions related to the amounts contained in the TABOR Financial Report as certified on August 29, 2025:

- The OSC disclosed in its TABOR Financial Report, and we confirmed, that they were aware of one adjustment–not reflected in the Schedule–that will increase nonexempt revenues by $786,268. The exclusion of this adjustment results in the "Total amount to be refunded in Fiscal Year 2026" line at the bottom of the Schedule being understated by $786,268.

- After the State Controller's certification of the TABOR Financial Report on August 29, 2025, the OSC identified an error that resulted in a $749,599 overstatement of the "Total amount to be refunded in Fiscal Year 2026" line at the bottom of the Schedule. Additionally, during our testing, we identified an error of $66 that understated this same line on the Schedule.

When these errors are netted together, the correction of them would result in increases of $786,268 each in "Fiscal Year 2025 Total Nonexempt Revenues" and "Amount Over the Fiscal Year 2025 Adjusted Limit," and an increase of $36,735 in the "Total amount to be refunded in Fiscal Year 2026."

We also identified a typographical error in the State Controller's Preliminary Schedule of Computations required under Article X, Section 20 as of June 30, 2025 (Schedule); specifically, the line at the bottom of the Schedule titled "Fiscal year 2023 Computation of Spending Limitations" should be titled "Fiscal Year 2025 Computation of Spending Limitations."

In July 2025, the President of the United States signed the One Big Beautiful Bill Act (H.R.1 Bill); the H.R.1 Bill took effect retroactively beginning January 1, 2025, and affected federal tax and spending policies. Because Colorado uses federal taxable income as the starting point for calculating Colorado taxable income, the H.R.1 Bill is expected to result in a reduction of the State's tax revenues retroactively beginning January 1, 2025. The OSC did not make adjustments to the State's Fiscal Year 2025 revenues related to the H.R.1 Bill that are reported in the TABOR Schedule. The OSC has indicated that any revenue adjustments resulting from the impact of the H.R. 1 Bill will be made to future years' TABOR reporting.

As noted in the State Controller's certification, the amounts in the TABOR Financial Report are based on unaudited account balances and are subject to change. Any adjustments identified subsequent to this report but prior to the issuance of our audit opinion on the State's Fiscal Year 2025 Annual Comprehensive Financial Report are expected to be reflected in the final audited Schedule of Computation Required Under Article X, Section 20, of the State Constitution (TABOR), which will be included in the State's Fiscal Year 2025 Annual Comprehensive Financial Report.

Sincerely,

Kerri L. Hunter, CPA, CFE
State Auditor

Enc.

COLORADO
Office of the State Controller
Department of Personnel & Administration
1525 Sherman St., 5th Floor
Denver, CO 80203

August 29, 2025

The Honorable Jared S. Polis
Governor
State of Colorado

The Honorable James Coleman
President of the Senate
Colorado General Assembly

The Honorable Julie McCluskie
Speaker of the House
Colorado General Assembly

Heidi Humphreys
Executive Director
Colorado Department of Revenue

Dear Sirs and Mesdames:

Pursuant to Section 24-77-106.5(1)(b) C.R.S., I hereby certify that for Fiscal Year 2025, the State's unaudited Nonexempt District Revenues subject to Article X, Section 20 (TABOR) of the State Constitution as of June 30, 2025 are $19,449,446,624. The allowable TABOR growth rate is 5.9%; the allowable growth rate includes population growth of 0.7% and inflation rate of 5.2%.

The Preliminary Schedule of Computations Required Under Article X, Section 20 (first attachment) includes the computation of nonexempt revenues for Fiscal Year 2024 and Fiscal Year 2025 in the top box. The computation of the spending limitation in the bottom box compares Fiscal Year 2025 nonexempt district revenue with Fiscal Year Spending, and with the Adjusted Excess State Revenues Cap (ESRC).

TABOR Nonexempt District Revenues are over the ESRC by $296,050,118. Section 24-77-103.7(4) C.R.S. requires the amount to be refunded in Fiscal Year 2026 to be reduced by over-refunds of excess revenues from prior fiscal years. Over-refunds of prior year excess revenues are $2,746,932; therefore, the total amount to be refunded in Fiscal Year 2026 is $293,303,186.

The Nonexempt District Revenues Fiscal Year Spending limit for Fiscal Year 2025, which, prior to Referrendum C was the trigger used for refunding excess revenues to taxpayers, is $15,462,665,398. For Fiscal Year 2025, the Nonexempt District Revenues subject to TABOR exceeded the Fiscal Year Spending limit by $3,986,781,226.

The Comparison of Nonexempt District Revenues (second attachment) compares general and program Nonexempt District Revenues for Fiscal Year 2025 to Fiscal Year 2024. Total nonexempt revenue increased by $21,742,477 (0.1%) compared with the prior year. For comparative purposes, the prior year program revenue line amounts have been increased by $13,143,944 to reflect exempt prior year revenue as nonexempt for a newly disqualified Front Range Waste Diversion Enteprise.

The amounts reported in the attached schedules are based on unaudited account balances, and therefore are subject to change. We are aware of one adjustment, not reflected in the Schedule, that will increase nonexempt revenues by $786,268. The State Auditor is required by statute to report on the audit of these preliminary schedules by September 15, 2025. The final audited schedules will be included in the State's Fiscal Year 2025 Annual Comprehensive Financial Report, which is scheduled to be completed in December 2025.

Please contact me If you have questions concerning the information provided.

Sincerely,

Robert Jaros

Robert Jaros, CPA, MBA, JD
State Controller

Enclosures

1525 Sherman St., Denver, CO 80203 P 303.866.6200 www.colorado.gov/osc
Jared S. Polis, Governor | Tony Gherardini, Executive Director

STATE OF COLORADO
PRELIMINARY SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2025

Certification Date: August 29, 2025

		FISCAL YEAR 2024		FISCAL YEAR 2025
COMPUTATION OF NONEXEMPT REVENUES				
Total State Expenditures	$	74,539,960,938	$	82,910,102,911
Less: Exempt Activity		58,095,999,386		63,980,374,382
Nonexempt District Expenditures		16,443,961,552		18,929,728,529
District Reserve/Fund Balance Increase (Decrease)		2,983,742,595		519,718,095
Total Nonexempt District Revenues	**$**	**19,427,704,147**	**$**	**19,449,446,624**
COMPUTATION OF DISTRICT FUND BALANCE CHANGES				
Beginning District Fund Balance	$	22,156,915,204	$	25,140,657,799
Qualifications, Disqualifications and Other Adjustments		1,629,199,042		358,448,259
Excess TABOR Revenues		1,354,543,553		296,050,118
Ending District Fund Balance	**$**	**25,140,657,799**	**$**	**25,795,156,176**

COMPUTATION OF SPENDING LIMITATIONS		**FISCAL YEAR SPENDING**		**EXCESS STATE REVENUES CAP**
FISCAL YEAR 2023 COMPUTATION OF SPENDING LIMITATIONS		**FISCAL YEAR SPENDING**		**EXCESS STATE REVENUES CAP**
Fiscal Year 2024 Limit	$	14,588,050,955	$	18,073,160,594
Base Adjustment for Disqualification of Enterprises		13,143,944		13,143,944
Fiscal Year 2024 Adjusted Limit	$	14,601,194,899	$	18,086,304,538
Allowable TABOR Growth Rate		5.9%		5.9%
Fiscal Year 2025 Adjusted Limit	$	15,462,665,398	$	19,153,396,506
Less: Fiscal Year 2024 Nonexempt District Revenues		(19,449,446,624)		(19,449,446,624)
Amount (Over)Under Fiscal Year 2025 Adjusted Limit	**$**	**(3,986,781,226)**	**$**	**(296,050,118)**

(Over-refunds) or unrefunded excess state revenues from prior years C.R.S. 24-77-103.9(2)	$	(2,746,932)
Current year excess state revenues	$	296,050,118
Total amount to be refunded in Fiscal Year 2026	$	293,303,186
FY 2025 retention of approved revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)	$	3,690,731,108

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TABOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	$ 8,704,099,512	$ 8,552,788,668	$ 151,310,844	1.8%
Sales and Use Tax, Net	4,657,693,324	4,595,787,723	61,905,601	1.3%
Corporate Income Tax, Net	2,352,931,001	2,534,576,169	(181,645,168)	-7.2%
Insurance Taxes	659,461,313	541,923,256	117,538,057	21.7%
Interest and Investment Income	142,270,806	239,090,220	(96,819,414)	-40.5%
Alcoholic Beverages Tax, Net	53,977,963	55,992,392	(2,014,429)	-3.6%
Fiduciary Income Tax, Net	52,606,464	47,632,271	4,974,193	10.4%
Tobacco Products Tax, Net	38,001,738	36,321,683	1,680,055	4.6%
Court and Other Fines	7,063,821	12,617,520	(5,553,699)	-44.0%
Business Licenses and Permits	6,682,820	9,746,665	(3,063,845)	-31.4%
Miscellaneous Revenue	4,778,573	2,602,029	2,176,544	83.6%
General Government Service Fees	547,364	1,168,977	(621,613)	-53.2%
Gaming and Other Taxes	227,672	379,247	(151,575)	-40.0%
Welfare Service Fees	30,403	34,447	(4,044)	-11.7%
Other Charges For Services	15,117	10,210	4,907	48.1%
Certifications and Inspections	5,100	4,575	525	11.5%
Nonbusiness Licenses and Permits	-	97,668	(97,668)	-100.0%
TOTAL GENERAL-FUNDED REVENUES	**16,680,392,991**	**16,630,773,720**	**49,619,271**	**0.3%**
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	646,352,940	652,681,454	(6,328,514)	-1.0%
Motor Vehicle Registrations	315,304,019	308,503,213	6,800,806	2.2%
Business Licenses and Permits	255,734,171	214,627,539	41,106,632	19.2%
Other Charges For Services	194,343,843	154,023,155	40,320,688	26.2%
Court and Other Fines	191,414,596	198,239,010	(6,824,414)	-3.4%
Interest and Investment Income	179,555,547	185,505,887	(5,950,340)	-3.2%
Transportation Fees	152,083,142	123,002,667	29,080,475	23.6%
Miscellaneous Revenue	115,118,623	74,661,067	40,457,556	54.2%
General Government Service Fees	112,291,563	176,498,060	(64,206,497)	-36.4%
Gaming and Other Taxes	91,915,135	92,007,185	(92,050)	-0.1%
Health Service Fees	82,920,877	75,687,957	7,232,920	9.6%
Rents and Royalties	81,054,627	77,957,579	3,097,048	4.0%
Sales and Use Tax, Net	77,133,829	54,301,150	22,832,679	42.0%
Driver's Licenses	46,314,194	44,424,179	1,890,015	4.3%
Public Safety Service Fees	44,745,311	43,843,282	902,029	2.1%
Severance Taxes	37,085,271	186,399,474	(149,314,203)	-80.1%
Certifications and Inspections	32,058,753	28,023,848	4,034,905	14.4%
Insurance Taxes	31,669,412	27,912,038	3,757,374	13.5%
Nonbusiness Licenses and Permits	28,493,782	36,911,162	(8,417,380)	-22.8%
Local Governments and Authorities	23,402,917	18,467,732	4,935,185	26.7%
Employment Taxes	12,971,556	15,000,000	(2,028,444)	-13.5%
Educational Fees	8,057,491	8,319,712	(262,221)	-3.2%
Higher Education Auxiliary Sales and Services	3,282,237	4,705,496	(1,423,259)	-30.2%
Welfare Service Fees	2,858,357	2,999,634	(141,277)	-4.7%
Sales of Products	1,855,976	3,584,901	(1,728,925)	-48.2%
Alcoholic Beverages Tax, Net	737,388	925,341	(187,953)	-20.3%
Other Excise Taxes, Net	297,971	481,383	(183,412)	-38.1%
Tobacco Products Tax, Net	105	135	(30)	-22.2%
Other Revenue	-	5,332	(5,332)	-100.0%
TOTAL PROGRAM REVENUES	**2,769,053,633**	**2,809,699,572**	**(40,645,939)**	**-1.4%**
Prior Year Errors		374,799	(374,799)	
Disqualification of Enterprises		(13,143,944)	13,143,944	
TOTAL NONEXEMPT REVENUE	**$ 19,449,446,624**	**$ 19,427,704,147**	**$ 21,742,477**	**0.1%**

Schedule of TABOR Revenue 2025

Overview

The Taxpayer's Bill of Rights (TABOR) was added as Article X, Section 20 of the Colorado Constitution in the November 1992 general election. TABOR limits the annual growth in state revenues to the sum of the inflation rate and the percentage change in the State's population; this is called the TABOR growth rate. Any money the State raises above that amount must be returned to the taxpayers.

Section 24-77-106.5 (1)(b), C.R.S., requires the State Controller to prepare and distribute a TABOR Financial Report annually to the Governor, the General Assembly, and the Executive Director of the Department of Revenue no later than September 1 following the end of a fiscal year. The TABOR Financial Report is required to include the following:

- The amount of state revenues in excess of the limitation on state fiscal year spending, and,
- The amount of state revenues in excess of such limitation the State is authorized to retain and spend pursuant to voter approval of Referendum C.

Referendum C was approved by the voters in November 2005 and established a new revenue limit, which is referred to as the Excess State Revenues Cap.

The TABOR Financial Report prepared by the Office of the State Controller (OSC) for Fiscal Year 2025 includes the Preliminary Schedule of Computations Required Under Article X, Section 20 as of June 30, 2025 [Unaudited] and the Comparison of Nonexempt TABOR Revenues for the Fiscal Year Ended June 30, 2025 [Unaudited]. As noted in the State Controller's Certification, the amounts in the TABOR Financial Report are based on unaudited account balances and are subject to change. Any adjustments are expected to be reflected in the final audited Schedule of TABOR Revenue and Computations, which will be included in the State's Fiscal Year 2025 Annual Comprehensive Financial Report, with audit work expected to be completed in December 2025.

TABOR enterprises are designated in one of two ways. The first method is by statute. The second method is exclusive to institutions of higher education' enterprises as specified in Sections 23-5-101.7(2) and 23-5-101.5(1), C.R.S., which require that the institutions' enterprise designations occur through the institutions' governing boards. If an enterprise is designated by statute or an institution's governing board, the enterprise still must annually meet additional requirements. These additional requirements are defined by Sections 24-77-102 (3)(a) and (b), C.R.S., which indicates that the enterprise must: (1) be a government-owned business that has the authority to issue its own revenue bonds and (2) receive less than 10% of its total annual revenues in grants from all state and local governments in Colorado combined.

Audit Purpose, Scope, and Methodology

We conducted this performance audit pursuant to Section 24-77-106.5 (2), C.R.S., which requires that the State Auditor conduct an audit of the TABOR Financial Report and certification of excess state revenues prepared by the State Controller. We performed our audit work during the period August 2025 through October 2025. We appreciate the cooperation and assistance provided by the State Controller and OSC staff during this audit.

The reporting for this performance audit includes a letter dated September 15, 2025 from the State Auditor that summarized the results of the performance audit, as of that date. This letter was transmitted in accordance with Section 24-77-106.5, C.R.S., to the Governor, Joint Budget Committee, the Finance Committees of the House of Representatives and the Senate, and the Executive Director of the Department of Revenue, on September 15, 2025, along with the State Controller's certification and TABOR Financial Report dated August 29, 2025.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The overall objective of our performance audit was to evaluate the TABOR Financial Report and certification of excess state revenues issued by the State Controller pursuant to regulations related to Article X, Section 20 of the State Constitution (TABOR). Specifically, our key objective was to determine whether the State Controller complied with applicable laws, rules, and regulations related to Sections 24-77-101 through 109, C.R.S., in their preparation of the financial report and TABOR certification for Fiscal Year 2025. Objectives also included to determine and report on which State institutions of higher education met the criteria for TABOR enterprise status in the current and following fiscal year and any changes to an institution of higher education's or an institution of higher education's auxiliary facilities' enterprise status in the current fiscal year.

To accomplish our audit objectives, we performed the following audit work:

- Identified and documented our consideration of changes to statutory, regulatory, and other legal requirements that impact TABOR and are applicable to the audit and the audit objectives.
- Reviewed and evaluated the OSC's Fiscal Year 2025 Fiscal Procedures Manual for TABOR-related changes.
- Reviewed, evaluated, and reperformed key calculations used by the OSC in the preparation of its TABOR Financial Report, including TABOR revenues, the anticipated TABOR growth rate,

revenues exempt from TABOR requirements, the TABOR Adjusted Spending Limit, and the Excess State Revenues Cap. This included tying amounts on the TABOR Financial Report to the underlying accounting records as of August 29, 2025.

- Reviewed the voter-approved amendments that exempted revenues from the TABOR district ("District" in this context means the State, excluding TABOR enterprises).

- Performed interviews, reviewed policies and procedures, and reviewed the TABOR Financial Report and the certification, as well as the OSC's classification of TABOR-related accounts, to determine compliance with statutory requirements and appropriateness of reporting TABOR revenue.

- Obtained and reviewed information submitted by state departments and institutions of higher education to the OSC detailing changes in TABOR revenue from prior years, base fiscal year spending, and changes in TABOR enterprise status, which included a reviewing departments' and institutions of higher education's explanations for analytical variances requested by the OSC.

- Performed testwork to determine if state departments and institution' of higher education properly classified revenue as TABOR exempt or non-exempt in the Colorado Operations Resource Engine (CORE), the State's accounting system, which included reviewing departments and institution' of higher education's calculations of their enterprise status.

- Reviewed revenues recorded in TABOR exempt enterprise funds to determine whether tax revenues were transferred to or recorded in these funds and determined whether these revenues were properly recorded as TABOR revenues.

- Tested the OSC's internal controls deemed significant to the audit objectives around the OSC's preparation of the TABOR Financial Report and certification, including supervisory review.

- Obtained and compiled information from each State institution of higher education on their Fiscal Year 2025 revenue and expenditure information, including the institutions' projections for the same activity in Fiscal Year 2026, and determined whether the institution received in Fiscal Year 2025 and expects to receive in Fiscal Year 2026 under 10 percent of annual revenue in grants from all Colorado state and local governments combined in each year.

- Obtained and reviewed information from Auraria Higher Education Center on its current revenue and expenditure information for its auxiliary enterprises to determine changes in TABOR enterprise status. An auxiliary facility is defined in statute to include any student or faculty housing, student activity, dining, and parking facilities. Auxiliary facilities are also defined as any similar facility or activity that has been historically managed as a self-supporting facility or activity.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives.

We communicated certain deficiencies in internal control that were not significant to the objectives of the audit but warranted OSC management's attention in a separate letter dated on October 1, 2025.

Our conclusions on the effectiveness of those controls that were significant to our audit objectives, as well as specific details about the audit work supporting our conclusions are described in the remainder of this report. The State Controller and members of his staff reviewed a draft of this report. We have incorporated the OSC's comments into the report where relevant.

Overall Conclusion

Based on our audit results, except as noted in the following section, we determined that the TABOR Financial Report, as certified by the State Controller on August 29, 2025, agreed to the State's underlying accounting records for Fiscal Year 2025 that were contained in the State's accounting system as of August 29, 2025. Except as noted in the following section, we noted no exceptions related to the State Controller's preparation and certification of the TABOR Financial Report in accordance with applicable laws, rules, and regulations related to Sections 24-77-101 through 109, C.R.S.

We identified the following exceptions related to the amounts contained in the TABOR Financial Report as certified on August 29, 2025:

- The OSC disclosed in its TABOR Financial Report, and we confirmed, that they were aware of one adjustment–not reflected in the Schedule–that will increase nonexempt revenues by $786,268. The exclusion of this adjustment results in the "Total amount to be refunded in Fiscal Year 2026" line at the bottom of the Schedule being understated by $786,268.

- After the State Controller's certification of the TABOR Financial Report on August 29, 2025, the OSC identified an error that resulted in a $749,599 overstatement of the "Total amount to be refunded in Fiscal Year 2026" line at the bottom of the Schedule. Additionally, during our testing, we identified an error of $66 that understated this same line on the Schedule.

  When these errors are netted together, the correction of them would result in increases of $786,268 each in "Fiscal Year 2025 Total Nonexempt Revenues" and "Amount Over the Fiscal Year 2025 Adjusted Limit," and an increase of $36,735 in the "Total amount to be refunded in Fiscal Year 2026."

  We also identified a typographical error in the State Controller's Preliminary Schedule of Computations required under Article X, Section 20 as of June 30, 2025 (Schedule); specifically, the line at the bottom of the Schedule titled "Fiscal year 2023 Computation of Spending Limitations" should be titled "Fiscal Year 2025 Computation of Spending Limitations."

As noted in the State Controller's certification, the amounts in the TABOR Financial Report are based on unaudited account balances and are subject to change. Adjustments to correct the exceptions previously noted are expected to be reflected in the final audited Schedule of TABOR Revenue and Computations, which will be included in the State's Fiscal Year 2025 Annual Comprehensive Financial Report.

We found that internal controls that were significant within the context of our audit objectives were working effectively in relation to the State Controller's preparation of the financial report.

We concluded that all 10 State institutions of higher education met the definition of a TABOR enterprise for Fiscal Year 2025 and 9 out of the 10 institutions are projected to meet the definition for Fiscal Year 2026, and the two auxiliary enterprises operated by Auraria Higher Education Center, met the criteria for TABOR enterprise designation for Fiscal Year 2025. See Appendix C for more information.

Preparation of the Fiscal Year 2025 TABOR Financial Report

As required by statute [Section 24-77-106.5, C.R.S.], the State Controller annually prepares a TABOR Financial Report and letter of certification that outline state revenues subject to Article X, Section 20 (TABOR) of the State Constitution. The TABOR Financial Report for Fiscal Year 2025, which consists of the Preliminary Schedule of Computations Required Under Article X, Section 20 as of June 30, 2025 [Unaudited] and the Comparison of Nonexempt TABOR Revenues for the Fiscal Year Ended June 30, 2025 [Unaudited], contains several elements required by statute, including state fiscal year spending, total revenues, reserves (fund balance), revenues the State is allowed to retain and spend pursuant to Referendum C, and debt. The key elements contained in the TABOR Financial Report are further defined in the following sections.

TABOR Revenue Limit

Article X, Section 20(7)(a) of the State Constitution contains a formula for calculating the TABOR Revenue Limit, which involves multiplying a base amount by the TABOR growth rate. The base amount for the TABOR Revenue Limit is the lesser of either the prior year's revenue or spending limit.

TABOR Growth Rate

Article X, Section 20(7)(a) limits the annual growth in state revenues to the sum of the inflation rate and the percentage change in the State's population. For Fiscal Year 2025, the TABOR growth rate was 5.9 percent. Beginning in Fiscal Year 2025, Senate Bill 25-180 adjusted the method for the OSC to calculate population growth. Specifically, Senate Bill 25-180 required the OSC to calculate the percentage change in the State's population for Fiscal Year 2025 by using the July, 1, 2022 United States Census Bureau report of Annual Estimates of the Resident Population for the United States - April 1, 2020 to July 1, 2022, for the prior-year population estimates and the July, 1, 2023 United States Census Bureau report of Annual Estimates of the Resident Population for the United States - April 1, 2020 to July 1, 2023, for the current year's population estimate. Under the prior method, the

OSC would have used the July, 1, 2023 United States Census Bureau report of Annual Estimates of the Resident Population for the United States - April 1, 2020 to July 1, 2023, for both the prior and current year's population estimates.

Excess State Revenue Cap

In November 2005, Referendum C, which would allow the State to spend or save the full amount of revenue it collected during a specified subsequent 5-year period, was approved in the general election. During Fiscal Year 2005, the General Assembly enacted House Bill 05-1194 as the enabling legislation for Referendum C, making it effective as of July 1, 2005. Referendum C allowed the State to spend or save the full amount of revenue it collected from Fiscal Years 2006 through 2010 in order to set the spending limit equal to revenue. After this 5-year break, Referendum C allows the State to keep revenue up to a capped amount known as the Excess State Revenues Cap (Cap). Beginning in Fiscal Year 2011, the Cap was equal to the highest amount of revenue that was collected in the 5 previous years, multiplied by the TABOR growth rate. In subsequent years, the Cap is calculated using the previous year's Cap multiplied by the TABOR growth rate.

Exempt and Nonexempt Revenue

All revenue collected by the State is included in the TABOR revenue limit calculation as "nonexempt" revenue unless it is exempted under Article X, Section 20(7)(d) as follows:

- Revenue collected by a TABOR enterprise.
- Voter approved revenue exemptions.

Fiscal Year 2025 TABOR Revenue

We reviewed the State Controller's computations of the Fiscal Year 2025 TABOR revenues and Cap and identified some differences as previously noted in the overall conclusion section. The figures in Exhibit 1.1 show TABOR revenue, the TABOR Cap, calculated revenue over the Cap, the over-refunds or unrefunded excess state revenues from prior years, and the amount to be refunded in Fiscal Year 2026 as certified by the State Controller for Fiscal Year 2025, the amounts identified through our audit procedures, and differences between the State Controller's certification and the audited amounts.

Exhibit 1.1
TABOR Revenue Comparison of the State Controller Certified TABOR Revenue Amounts and Audited TABOR Revenue Amounts, Fiscal Year 2025

	State Controller Certified Amounts	Audited Amounts	Difference
TABOR Revenue	$19,449,446,624	$19,450,232,892	$(786,268)
Excess State Revenues Cap	$(19,153,396,506)	$(19,153,396,506)	$0
Revenue Over/(Under) Excess State Revenues Cap	$296,050,118	$296,836,386	$(786,268)
(Over-refunds) or unrefunded excess state revenues from prior years[1]	$(2,746,932)	$(3,496,465)	$749,533
Total amount to be refunded in Fiscal Year 2026	$293,303,186	$293,339,921	$(36,735)

[1] These amounts represent adjustments to prior-year TABOR refund amounts due to TABOR revenue adjustments identified in subsequent years. The State Controller reports these amounts in subsequent TABOR reports and makes the resulting adjustments to the next TABOR refund.

Source: Office of the State Auditor analysis of the Office of the State Controller's data.

Article X, Section 20(7)(d) of the State Constitution says that if nonexempt TABOR revenue exceeds the Cap in a fiscal year, the excess revenue will be refunded in the next fiscal year. For Fiscal Year 2025, we determined the revenue was above the Cap by approximately $296.8 million; the TABOR refund of $293.3 million—as adjusted by prior year over-refunds and unrefunded excess state revenues of $3.5 million—will be issued in Fiscal Year 2026.

Refunding

There are currently four refund mechanisms available for refunding excess state revenues in Fiscal Year 2025—the property tax exemptions reimbursement, the temporary income tax rate reduction, the sales tax refund mechanism, and the sales and use tax rate reduction. The following are those mechanisms in the order the mechanism will apply for refunds:

- P**roperty Tax Exemptions Reimbursement.** Senate Bill 24-228 modified this first TABOR refund mechanism and combined the previous senior citizen and disabled veteran property tax exemptions reimbursement mechanism with an additional reimbursement for the reduced valuation for assessment of qualified-senior primary residence real property. Under the senior citizen and disabled veteran property tax exemption reimbursement mechanism, reimbursements will be made to local governments to offset their property tax losses resulting from the senior homestead exemption and the disabled veterans' property tax exemption. In 2000, voters approved an amendment to the State Constitution [Article X, Section 3.5], which established a property tax exemption for qualifying seniors and disabled veterans. Specifically, these taxpayers receive an annual property tax exemption of 50 percent of the first $200,000 of the value of their primary residence. Under the qualified senior primary residence real property valuation for assessment reimbursement mechanism, reimbursements will be made to local governments to offset their property tax losses resulting from reductions in the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but who are currently ineligible pursuant to Senate Bill 24-111 because they moved for tax years 2025 and 2026.

- **Temporary Income Tax Rate Reduction.** Under this mechanism, the income tax rate will be reduced for tax years 2024 through 2034 pursuant to Senate Bill 24-228. For tax year 2025 and subsequent years, the amount of the income tax rate reduction that is triggered will depend on the amount of the TABOR surplus remaining after reimbursements to local governments for the property tax exemption; then, the state individual income tax rate will be temporarily reduced by the following percentages according to the total amount of excess state revenues remaining after the local government property tax exemption reimbursement are paid (remaining excess state revenues):
  - If the remaining excess state revenues are above $300 million but less than or equal to $500 million, the income tax rate is temporarily reduced by 0.04%;
  - If the remaining excess state revenues are above $500 million but less than or equal to $600 million, the income tax rate is temporarily reduced by 0.07%;
  - If the remaining excess state revenues are above $600 million but less than or equal to $700 million, the income tax rate is temporarily reduced by 0.09%;
  - If the remaining excess state revenues are above $700 million but less than or equal to $800 million, the income tax rate is temporarily reduced by 0.11%;
  - If the remaining excess state revenues are above $800 million but less than or equal to $1 billion, the income tax rate is temporarily reduced by 0.12%;
  - If the remaining excess state revenues are above $1 billion but less than or equal to $1.5 billion, the income tax rate is temporarily reduced by 0.13%; and
  - If the remaining excess state revenues are above $1.5 billion, the income tax rate is temporarily reduced by 0.15%.
- **Sales Tax Refund.** Under this mechanism, taxpayers will receive a state sales tax refund based on where their adjusted gross income falls among six adjusted gross income tiers. The refund is distributed to the six tiers when the TABOR surplus is large enough to support at least a $15 refund for each Colorado income taxpayer. If the surplus is less than $15 per taxpayer, an equal

refund is provided to each taxpayer regardless of income. The six-tier sales tax refund mechanism was created under House Bill 99-1001.

- **Sales and use tax rate reduction.** Senate Bill 24-228 also created a refund mechanism starting in Fiscal Year 2025 that will be active until Fiscal Year 2034. Under this mechanism, if the amount of remaining excess state revenues is greater than $1.5 billion, and exceeds the projected total amount of TABOR refunds issued as reimbursements for the property tax exemptions reimbursement plus refunds issued through the temporary income tax rate reduction, then the state sales and use tax rates are temporarily reduced by 0.13%.

Senate Bill 24-228 specifies the order in which the TABOR refund mechanisms after the property tax exemptions reimbursement are triggered, depending on the amount of the TABOR refund as follows:

- If the remaining TABOR refund is $300 million or less, only the sales tax refund mechanism is triggered;

- If the remaining TABOR refund is above $300 million but less than $1.5 billion, refunds are distributed first through the income tax rate reduction, then through the sales tax refund mechanism; and

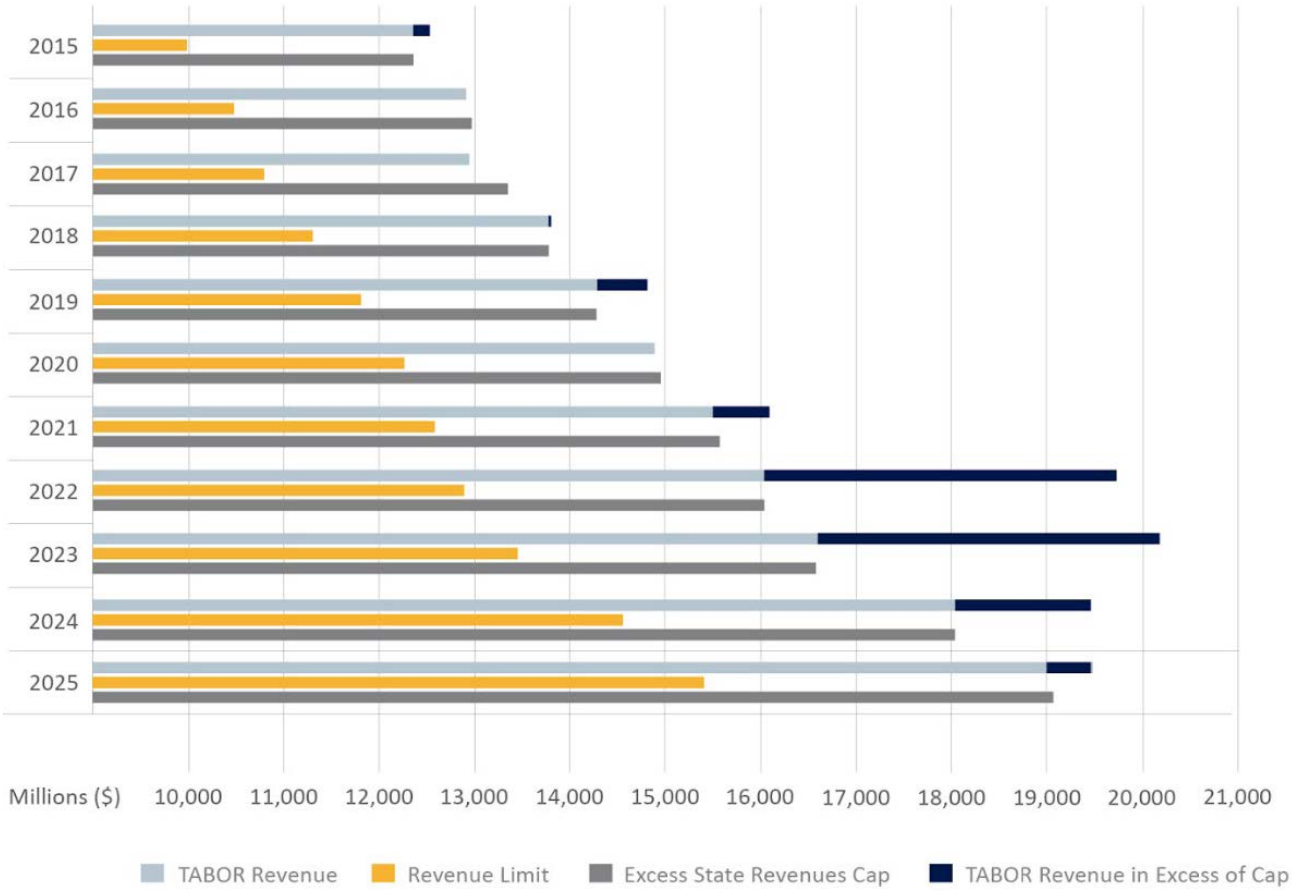
- If the remaining TABOR refund is above $1.5 billion, refunds are distributed first through the income tax rate reduction, then through the sales and use tax rate reduction, and lastly through the sales tax refund mechanism.

At June 30, 2025, we determined that the State had a balance of TABOR amounts over-refunded and unrefunded in prior fiscal years of about $3.5 million and the Fiscal Year 2025 TABOR refund liability–as adjusted by the prior year over-refunded and unrefunded amounts–was $293,339,921. According to the Department of Revenue TABOR Letter dated September 29, 2025, approximately $182.1 million of this refund liability will be refunded through the property tax exemptions reimbursement. The remaining approximately $111.2 million of the Fiscal Year 2025 excess state revenues is expected to trigger the sales tax refund mechanism.

Revenue Limit

Exhibit 1.2 shows a graphical comparison of State Controller-certified TABOR revenue, the TABOR Revenue Limit, and the Excess State Revenues Cap for the last 11 fiscal years, including the current year. Beginning in Fiscal Year 2011, the State was allowed to keep revenues above the TABOR Revenue Limit and below the Excess State Revenue Cap as set forth in Referendum C. Since the enactment of Referendum C, revenues have exceeded the Excess State Revenue Cap, and a TABOR refund was triggered for Fiscal Years 2015, 2018, 2019, and 2021 through 2025.

Exhibit 1.2
State of Colorado TABOR Revenue vs. Revenue Limit and the Excess State Revenue Cap
Fiscal Years 2015 to 2025



Source: Fiscal Year 2025 – Preliminary Schedule of Computations Required Under Article Ā, Section 20 for Fiscal Year 2025, the State Controller's TABOR certification dated August 29, 2025. Fiscal Years 2015 through 2024 – Schedules of Computations Required Under Article Ā, Section 20 for Fiscal Years 2015-2024, contained within the State's Fiscal Years 2015-2024 Annual Comprehensive Financial Reports.

Appendix A

Description of Revenue Categories

Description of Revenue Categories

The revenue categories described in Appendix A correspond to the categories presented on the Comparison of Nonexempt TABOR Revenues (Comparison)–page 8. Revenues within the Comparison are presented in two categories, General Revenues and Program Revenues. The General Revenues are revenues within the General Fund and Program Revenues are from cash funded activities.

Income Tax

Individual Income Tax, Net

Taxes paid on wages, unearned income, and other income of individuals, net of refunds on property tax credits, income tax intercepts (e.g., IRS and child support), tax checkoffs, and Amendment 23 transfers to the State Education Fund.

Corporate Income Tax, Net

Taxes based on the net profits of a corporation's net of Amendment 23 transfers to the State Education Fund.

Fiduciary Income Tax, Net

Taxes on trust and estate income net of Amendment 23 transfers to the State Education Fund.

Excise Tax

Sales Tax, Net

Taxes collected by retailers on consumer purchases of tangible personal property net of refunds.

Use Tax, Net

Taxes remitted by the end consumer of tangible personal property purchased at retail prices net of refunds.

Alcoholic Beverages Tax, Net

Taxes collected from retailers who sell alcohol products net of refunds.

Tobacco Products Tax, Net

Taxes on the sale, use, consumption, handling, or distribution of tobacco products net of refunds.

Other Excise Taxes, Net

Taxes for occupational license renewals and certain penalties net of refunds.

Other Taxes

Insurance Taxes

Taxes on insurance premiums collected by insurance companies net of refunds.

Fuel and Transportation Taxes, Net

Gross ton mileage tax on motor carriers and taxes on diesel, gasoline, aviation jet fuel, aviation gasoline, and other fuels, net of refunds.

Gaming and Other Taxes

Taxes on gaming facilities based on percentages of income net of refunds.

Severance Taxes

Mineral extraction taxes on coal, oil and gas, molybdenum, and metallic minerals net of refunds.

Employment Taxes

Employment taxes paid by employers for funding unemployment benefits net of refunds.

Licenses, Permits, and Fees

Health Service Fees

Healthcare Affordability and Sustainability Fees and other fees collected for health services including laboratory test fees, genetic testing, vital records fees, and children's health plan premiums.

Motor Vehicle Registrations

Collection of fees for license plates, tags, and registrations.

Business Licenses and Permits

Licenses and permits for special functions of a business (e.g., alcoholic beverage licenses, tobacco products licenses, sports betting operation fees and licenses, business registrations, health licenses, child care licenses, and waste management permits).

Other Charges For Services

Various fees, the majority of which are collected by Public Utilities Commission, the Division of Banking, and the Oil and Gas Conservation Fund, which are used to ensure compliance with applicable regulations.

General Government Service Fees

Service charges by various agencies to the public (e.g., filing fees charged by the Department of State, charges by the Motor Vehicle Division for driving record inquiries, and certain fees charged by the Department of Agriculture and Department of Natural Resources).

Educational Fees

Conference fees and teacher certification fees collected primarily by the Department of Education.

Driver's Licenses

Fees for driver's licenses and ID cards.

Nonbusiness Licenses and Permits

Includes licenses and permits for environmental response surcharges, park passes, motorcycle operator safety training, waste tire recycling, etc.

Public Safety Service Fees

Fees for firefighter response, fire service education and training, and search and rescue fees.

Certifications and Inspections

Emission inspection stickers, emission registration, emission inspection station licenses, and other related fees.

Welfare Service Fees

Child abuse registry fees.

Transportation Fees

Includes fees for road usage, electric vehicle road usage equalization, retail delivery order, rideshare, and bridge and tunnel impact.

Other Revenue

Court and Other Fines

Fines and forfeits levied by the courts.

Miscellaneous Revenue

Revenue not included in another category. Examples of these revenues include transfers between funds.

Interest and Investment Income

Interest income, finance charges, and gains/losses on investments.

Rents and Royalties

Income from the lease of state land to private parties.

Local Governments and Authorities

Funds from counties, cities, special districts, etc., primarily in the form of grants.

Higher Education Auxiliary Sales and Services

Revenue from library fees, internal service center fees, and athletic camp fees. These revenues are Auraria Higher Education Center (AHEC) charges to other higher education institutions for these services.

Sales of Products

Sales of publications, maps, materials, and supplies.

Other Revenue

This category includes revenues for any other type of revenue source that is not categorized in any of the other categories. There were no other revenues in this category during Fiscal Year 2025. For Fiscal Year 2024, revenue related to the indirect cost transfer from TABOR enterprises to the Department of Natural Resources; as well as collections of certified capital companies' escrow payments per Section 24-48.5-106, C.R.S, by the Department of Local Affairs and Department of Human Services.

Appendix B

TABOR History
Fiscal Years 1993–2025

The following provides highlights of certain legislation or voter-approved changes affecting the Office of the State Controller's Schedule of Computations Required Under Article X, Section 20 contained in this report. The fiscal year in which the change was effective and a brief summary of the legislation or voter-approved change is provided below.

1993

Voter Approval. The Taxpayer's Bill of Rights (TABOR) was added as Article X, Section 20 of the Colorado Constitution in the November 1992 general election. TABOR limits increases in the State's revenue to the annual inflation rate plus the percentage change in Colorado's population unless voters approve a revenue change.

1997 and 1998

Refunds. The TABOR Revenue Limit was exceeded for the first time during the fiscal year ended June 30, 1997, and again for the fiscal year ended June 30, 1998. The General Assembly decided to distribute the entire excess from general funds as a sales tax credit on each full-year resident's individual tax return.

1999–2001

Constitutional Amendment. Amendment 14 was approved by the voters in November 1998 and authorized a permit fee that is exempt from TABOR for the regulation of commercial hog facilities.

Refunds. TABOR revenue exceeded the TABOR Revenue Limit for each of these years, resulting in refunds. In 1999, the excess was refunded through three mechanisms; in 2000, nine mechanisms were used; and in 2001, the excess was refunded through 17 mechanisms.

Revenue Reductions. During the period, there were several revenue reductions enacted that lowered the amount of TABOR revenue to be received in subsequent years. The most significant reduction was the lowering of income tax rates effective January 1, 1999, for individuals, estates, and trusts from 5 percent to 4.75 percent, and a further reduction effective January 1, 2000, of the rate to 4.63 percent. Effective January 1, 2001, the sales tax rate was reduced from 3 percent to 2.9 percent. Other permanent tax reductions included the establishment of low-income housing owner credits, redevelopment incentives for contaminated property, sales and use tax exemptions for certain agricultural items, unemployment insurance tax credits, and oil and gas severance tax exemptions.

2001

Constitutional Amendments. Voters approved changes that lowered revenue subject to TABOR requirements through multiple constitutional amendments. The amendment having the largest impact on decreasing revenue subject to TABOR was Amendment 23, passed in November 2000. The Amendment created the State Education Fund, funded through a transfer of an amount equivalent to a tax of 1/3 of 1 percent of federal taxable income. This essentially reduced the State's TABOR revenue by the amount of the transfer. At this same time, voters also approved Amendment 20 that authorized a TABOR exempt fee for patients receiving an identification card for the medical use of marijuana. The resulting revenues are TABOR exempt.

2002

Growth Dividend. TABOR states that the TABOR Revenue Limit will be the lesser of the current fiscal year's revenue or the prior fiscal year's TABOR Revenue Limit adjusted by the population growth and the inflation rate. The population growth is adjusted every decade to match the federal census. Based on the 2000 census, it was determined that the federal government underestimated Colorado's population during the 1990s, resulting in the State issuing greater TABOR refunds than required. In 2002, the General Assembly enacted Senate Bill 02-179 to account for underestimates of population growth in prior years, adding a carry-forward mechanism for a census-related adjustment in population growth. This can be applied to future calculations of the TABOR Revenue Limit for up to 9 years. This carry-forward is referred to as the growth dividend. The growth dividend determined from the 2000 census allowed the State to raise the TABOR Revenue Limit by $565.3 million. This amount was fully utilized during Fiscal Years 2004 and 2005.

2004

Qualified Enterprises. The TABOR amendment allows qualified enterprises to be exempt from TABOR requirements. Over the years, the General Assembly has enacted statutes to designate certain state entities as TABOR-exempt enterprises. One of the most significant of these bills was Senate Bill 04-189, which enabled higher education governing boards to designate a qualified institution or group of institutions to be exempt from TABOR requirements. In 2004, the University of Colorado was approved as a TABOR-exempt enterprise. In 2005, 10 additional higher education institutions were approved as TABOR-exempt enterprises. Once designated as a TABOR-exempt enterprise, the institution will retain the designation as long as it continues to meet the requirements for an enterprise.

2005

Constitutional Amendment. Amendment 35 was passed by voters in November 2004. The Amendment assesses a statewide TABOR-exempt tax of 64 cents per pack of cigarettes and 20 percent on tobacco products. The Amendment requires that the revenue be used for health care services and tobacco education and cessation programs.

2006–2008

Referendum C. Referendum C was approved by the voters in the November 2005 election. Referendum C allowed the State to retain and spend all revenue in excess of the TABOR Revenue Limit annually for 5 fiscal years starting with Fiscal Year 2006. After July 1, 2010, the State was allowed to retain revenues in excess of the TABOR Revenue Limit up to a newly defined "Excess State Revenues Cap." The Excess State Revenues Cap is defined as the highest total state revenue earned between Fiscal Years 2006 and 2010, adjusted for inflation and population growth for each subsequent year.

For Fiscal Years 2006, 2007, and 2008, the amounts of excess revenue that the State was allowed to retain and spend were $1,116,134,410, $1,308,040,131, and $1,169,428,121, respectively, for a 3-year total of $3,593,602,662. The funds retained by the State were to be applied toward education; healthcare; roads, bridges, and other strategic transportation projects; and retirement plans for firefighters and police officers. TABOR Revenue did not exceed the TABOR Revenue Limit in Fiscal Years 2009 and 2010.

Overrefunds. Prior to July 1, 2005, state statutes provided a mechanism to apply refunds paid in excess of the TABOR refund liability ("overrefunds") for one fiscal year against the following year's TABOR refund liability, if one exists. Effective Fiscal Year 2005 under House Bill 05-1310, the State Controller was required to make two types of adjustments in Fiscal Year 2005 related to overrefunds that were paid during Fiscal Years 2002 through 2004. First, House Bill 05-1310 required the State Controller to change the methodology for calculating the TABOR Revenue Limit for Fiscal Years 2002 through 2004 by applying the overrefunds after the TABOR Revenue Limit was set. This resulted in an increase of $92.7 million to the Fiscal Year 2005 TABOR Revenue Limit. Second, the State Controller was required to reduce the Fiscal Year 2005 TABOR Revenue in excess of the TABOR Revenue Limit for the total amount of overrefunds paid during Fiscal Years 2002 through 2004. This resulted in a $127.8 million reduction to the TABOR refund liability for Fiscal Year 2005.

House Bill 05-1310 requires that, in Fiscal Year 2006 and future years, TABOR revenue in excess of the TABOR Revenue Limit be reduced by any amounts overrefunded in the prior year. Any unused amount is to be carried forward and decrease future refund liabilities until the excess is depleted.

2009

Constitutional Amendment. Amendment 50 was passed by voters in November 2008. The Amendment made several revisions to gaming limits. Casinos pay taxes on income from gaming and pay various fees and fines which are exempt from TABOR. Most of the revenue the state receives from new gaming limits is to be used for financial aid and classroom instruction at the state's community colleges and distributed to the gaming communities.

2011

Refund Mechanisms. The General Assembly enacted Senate Bill 10-212, which repealed all of the TABOR surplus refund mechanisms except for the Earned Income Tax Credit, Income Tax Rate Reduction and the Six-Tier Sales Tax Refund, effective July 1, 2010.

For any year in which a refund of TABOR surplus revenue is required, the only remaining refund mechanism with a threshold in statute is the Earned Income Tax Credit. In addition, House Bill 05-1317 created a TABOR refund mechanism (the Temporary Income Tax Rate Reduction) that—starting with income tax year 2011—reduces the state income tax rate from the rate of 4.63 percent to 4.50 percent when the state experiences a revenue surplus large enough to support the rate reduction. The Temporary Income Tax Rate Reduction follows the Earned Income Tax Credit refund mechanism.

2013–2014

Earned Income Tax Credit. The General Assembly enacted Senate Bill 13-001 which establishes a permanent Earned Income Tax Credit (EITC) to replace the EITC TABOR refund mechanism. The EITC provides credit to individuals that work but do not earn high incomes. Taxpayers who qualify for the federal credit may claim a state credit up to 10 percent of the federal credit amount. The permanent EITC begins the year following the first year the EITC TABOR refund mechanism is triggered.

Constitutional Amendment. Amendment 64 "Use and Regulation of Marijuana," passed in November 2012, required the general assembly to enact a TABOR exempt excise tax to be levied upon wholesale sales of marijuana. The Amendment requires that the first $40 million raised annually goes to school capital construction. Proposition AA "Retail Marijuana Taxes," passed in November 2013, assesses a statewide TABOR-exempt tax of 15 percent excise tax to be levied upon wholesale sales of marijuana.

2015

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2015, resulting in a refund. The excess was refunded through two mechanisms including the Six-Tier Sales Tax Refund and the Earned Income Tax Credit (EITC). The EITC became permanent after it was triggered and will no longer be considered a TABOR refund mechanism going forward.

2017

Sustainability of Rural Colorado. The General Assembly enacted Senate Bill 17-267 which abolishes the Hospital Provider Fee and replaces it with the Healthcare Affordability and Sustainability Fee. The fee will be collected by the Healthcare Affordability and Sustainability Enterprise and will be TABOR exempt. The bill also requires the Excess State Revenue Cap under Referendum C to be reduced by $200 million in Fiscal Year 2018. Refund mechanisms were also changed as a result of the bill. In a TABOR refund year, reimbursements paid to local governments in support of the senior homestead and disabled veterans property tax exemptions are applied as the first refund mechanism triggered. The second and third refund mechanisms, the Temporary Income Tax Rate Reduction and Six-Tier Sales Tax Refund, will only take effect after the property tax exemptions are fully applied.

2018

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2018, resulting in a refund. The excess was refunded through the property tax exemption reimbursement mechanism.

2019

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2019, resulting in a refund. The excess was refunded through the property tax exemption reimbursement mechanism and the income tax reduction mechanism.

In the 2019 statewide election, Colorado voters approved Proposition DD, a measure referred to the voters by the Legislature in House Bill 19-1327. The proposition allowed the State to tax the proceeds of sports betting activity and to use the revenue to fund State water projects. This tax is included in TABOR revenues.

2020

In November 2020, voters approved Proposition 116. This proposition decreased the state income tax rate for individuals, estates, and trusts from 4.63% of federal taxable income to 4.55% of federal taxable income for tax years commencing on and after January 1, 2020.

Enterprises. The General Assembly passed Senate Bill 20-215, Health Insurance Affordability Enterprise, at the end of Fiscal Year 2020. The Bill establishes the Health Insurance Affordability Enterprise, a TABOR enterprise for purposes of Section 20 of Article X of the state constitution, that is authorized to assess a Health Insurance Affordability fee (insurer fee) on certain health insurers and a special assessment (hospital assessment) on hospitals to administer the Health Insurance Affordability fees and special assessment charges.

2021

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2021, resulting in a refund. The excess was refunded through the property tax exemption reimbursement mechanism, the temporary income tax rate reduction mechanism, and the sales tax refund mechanism.

Enterprises. In the 2020 general election, Colorado voters approved Proposition 117 that became effective December 31, 2020. The proposition required that any state enterprise with revenue from fees over $100 million in its first five years be approved by voters at a statewide election. In 2022, the legislature passed House Bill 22-1400 to update and clarify the information from the Proposition. The bill clarifies that certain higher education institutions that previously qualified as enterprises do not require voter approval in order to requalify as enterprises if they lose enterprise status in a given year.

Exempt Fees. In the 2020 general election, Colorado voters approved Proposition EE that took effect January 1, 2021. The proposition increased taxes on nicotine products including vaping products and set a minimum price for cigarettes. These increased taxes are exempt from the TABOR limit.

Excess State Revenues Cap. The General Assembly passed Senate Bill 21-260, Sustainability of the Transportation System, at the end of Fiscal Year 2021. This bill is codified in Section 24-77-103.6(6)(b)(I)(F), C.R.S. The bill raises the state's revenue limit beginning in Fiscal Year 2021 to an amount calculated as the Fiscal Year 2020 Excess State Revenues Cap plus an additional $224,957,602. The Fiscal Year 2021 calculated amount was then carried forward and adjusted for inflation, change in population, newly qualified or disqualified enterprises, and debt service changes. This was designed to reverse the $200 million reduction of the TABOR limit from Senate Bill 17-267 which was adjusted for inflation and population growth. This amount was shown as an adjustment to the Excess State Revenues Cap on the State Controller's September 1, 2021 TABOR certification.

New Enterprises, Agency, and Fees. Senate Bill 21-260 created four new enterprises: the Community Access Enterprise within the Colorado Energy Office, the Clean Fleet Enterprise within the Colorado Department of Public Health and Environment, the Clean Transit Enterprise within the Colorado Department of Transportation (CDOT), and the Nonattainment Area Pollution Mitigation Enterprise within CDOT. The Statewide Bridge Enterprise's name was also changed to the Statewide Bridge and Tunnel Enterprise. All of these enterprises are exempt from the TABOR limit. The bill created a new branch of CDOT called the Environmental Justice and Equity Brand which will work with disproportionally impacted communities on the planning, study, and delivery of transportation projects. Senate Bill 21-260 also created new fees on gasoline and diesel fuel, retail deliveries, passenger rides, electric motor vehicle registration, and short-term vehicle rentals which are subject to TABOR limits.

Senate Bill 21-154 created the 988 Crisis Hotline Enterprise within the Department of Human Services. The enterprise is funded by fees imposed on phone service providers.

House Bill 21-1208 created the Natural Disaster Mitigation Enterprise within the Department of Natural Resources. The enterprise is governed by a board of directors, imposes a fee on insurance companies that offer certain insurance policies or contracts, and uses the fee revenue to finance the natural disaster mitigation grant program and provide local governments technical assistance on natural disaster mitigation.

2022

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2022, resulting in a refund. The excess was mainly refunded through the temporary taxpayer refund mechanism. Specifically, in Fiscal Year 2022, the General Assembly passed Senate Bill 22-233 to create a temporary refund mechanism for TABOR refunds. Only for the Fiscal Year 2022 TABOR refund, the temporary refund mechanism provided a refund in an identical amount to each qualified resident individual in the State based on the 2021 individual income tax filings.

In November 2022, voters approved Proposition 121, the State Income Tax Rate Reduction Initiative. This proposition decreased the state income tax rate for individuals, estates, and trusts from 4.55% of federal taxable income to 4.40% of federal taxable income for tax years commencing on and after January 1, 2022. This eliminated the income tax reduction TABOR refund mechanism beginning with the Fiscal Year 2023 TABOR refund.

Senate Bill 22-238 added an additional TABOR refund mechanism for backfilling local governments' reduced property taxes. Specifically, it designated $225 million for Fiscal Year 2023 to backfill local governments for reduced 2023 and 2024 property taxes for certain nonresidential and residential properties due to reductions in property tax assessment rates and reduced valuations on which rates are applied.

New Enterprises. Senate Bill 22-198 created the Orphaned Wells Mitigation Enterprise within the Department of Natural Resources. Enterprise designation means the activity is exempt from TABOR limits, if certain requirements are met (i.e. enterprise created by statute or a higher education institution with the governing board, and in addition to either of these requirements, being authorized to issue its own revenue bonds and received less than 10 percent of its annual revenue in grants from all Colorado State and local governments combined). House Bill 22-1133 created the Family and Medical Leave Insurance Enterprise within the Department of Labor and Employment. The bill transfers $57.0 million from the Revenue Loss Restoration Cash Fund to the Family and Medical Leave Insurance Fund to prepay state employer premiums to the Department of Labor and Employment. The transfer occurred in June 2022. In order to finance paid family and medical leave insurance benefits, in January 2023, the Family and Medical Leave Insurance Fund started to collect a required payroll premium of 0.90 percent from Colorado's employers and employees, with a minimum of half paid by the employer.

2023

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2023, resulting in a refund. The excess was refunded through the property tax exemption reimbursement mechanism, and the sales tax refund mechanism.

New Enterprise. Senate Bill 23-280 created the Fuels Impact Enterprise within the Department of Transportation. The enterprise is funded through a $0.006125 per gallon Fuels Impact Reduction

Fee (FIRF). Beginning September 1, 2023, the FIRF is due on gasoline, special fuel, and dyed fuels imported into Colorado or removed from a Colorado terminal.

2024

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2024, resulting in a refund. The excess was refunded through the property tax exemption reimbursement mechanism, the income tax rate reduction mechanism, and the sales tax refund mechanism.

Senate Bill 24-228 adjusts the temporary income tax rate reduction as the second TABOR refund mechanism for Fiscal Years 2024 through 2034 and creates a new refund mechanism—a temporary reduction in the state sales and use tax rate—for any State TABOR surplus collected for Fiscal Years 2025 through 2034. The bill also specifies the order in which TABOR refund mechanisms after the homestead exemption reimbursements are to be triggered under the bill, depending on the amount of the TABOR surplus.

House Bill 24-1469 specifies that certain gaming and cigarette tax revenues are considered to be collections for another government and therefore, exempt from TABOR. The bill reduces the TABOR refund obligation beginning in Fiscal Year 2024.

House Bill 24-1470 eliminates premium taxes to the Health Insurance Affordability (HIA) Enterprise fund. The enterprise was partially funded by the insurance premium tax through an annual diversion of revenue that would otherwise be credited to the General Fund. The bill ends the annual diversion from the General Fund to the HIA Enterprise fund starting in Fiscal Year 2024.

New Enterprise. House Bill 24-1409 created the Workforce Development Enterprise within the Department of Labor and Employment. The bill makes adjustments to employer support surcharge deposits and modifies caps for unemployment administration funds. Employers pay an annual support surcharge to fund unemployment administration and support the solvency of the Unemployment Insurance Trust Fund (UITF, also called the Unemployment Compensation Fund). Under current law, this surcharge is deposited into several different funds. Each of these funds has a limit on the maximum amount of money that can be in the fund at the end of each year. The bill adjusts these funding caps and requires the maximum amount to be adjusted for inflation based on the Denver-Aurora-Lakewood consumer price index.

2025

Refunds. TABOR revenue exceeded the TABOR Excess State Revenues Cap for Fiscal Year 2025, resulting in a refund.

Allowable Growth Rate. Senate Bill 25-180 adjusts the method of calculating population growth beginning in Fiscal Year 2025. The bill requires that the State Controller use the base year population estimate published in that year, rather than the revised population estimate published in the following year. This change affects the level of the TABOR limit and, in years when state revenue exceeds the limit, the amount of TABOR refunds. In years when population estimates would have been revised upward, the TABOR limit increases and refunds decrease. Conversely, when estimates would have been revised downward, the limit decreases and refunds increase.

Exempt Revenues Changes. Senate Bill 25-173 modifies the statutory definitions of certain revenues beginning in Fiscal Year 2025. Specifically, the bill reclassifies specific state revenues as either damage awards or property sales, which are exempt from the TABOR revenue limits.

New Enterprises, Surcharges, Fees, and Rebates. Senate Bill 24-139 created the 911 Service Enterprise within the Department of Regulatory Agencies. The enterprise is authorized to impose a fee on service users (fee). A service user is a person who is provided a 911 access connection in the state. The fee is set annually by the governing board for the enterprise and together with the 911 surcharge that the public utilities commission imposes on service users for the benefit of meeting the needs of governing bodies to pay for basic emergency service and provide emergency telephone service and must not exceed $0.50 per month per 911 access connection. Revenue from the fee will fund expenses and costs related to the provision of 911 services. The fee collection starts in Fiscal Year 2026.

Senate Bill 24-123 created the Waste Tire Management Enterprise within the Department of Public Health and Environment. Some portions of the bill are effective on June 6, 2024, and some portions are effective July 1, 2025. Under current law, when a consumer buys new tires, the retailer charges the consumer a waste tire fee that is then collected by the department. The bill amends the fee collection by establishing two different funds within the enterprise. The new waste tire enterprise fee (enterprise fee) is collected by retailers at the point of sale and submitted to the department. The enterprise fee amount is set by the department, in coordination with the Solid and Hazardous Waste Commission, and capped at $2.50 per tire, adjusted for inflation. The department is also responsible for collecting the waste tire administration fee (administration fee), which is also collected by retailers at the point of sale and submitted to the department. The administration fee amount is set by the department, in coordination with the Solid and Hazardous Waste Commission and is a minimum of $0.50 cents per tire, but must not exceed half of the amount of the enterprise fee.

House Bill 24-1449 created the Colorado Circular Communities Enterprise within the Department of Public Health and Environment. The bill replaces the existing Front Range Waste Diversion Enterprise within the Colorado Circular Communities Enterprise. The new enterprise inherits any existing contracts or in-process responsibilities of the existing enterprise to provide continuity of operations.

Appendix C

Institutions of Higher Education Enterprise Status for Fiscal Year 2025 with Projections for Fiscal Year 2026

Background

Under Section 23-5-101.7(2), C.R.S., a State institution of higher education governing board, not including the governing board for the Auraria Higher Education Center (AHEC), may designate its respective institution(s) as an enterprise for purposes of Article X, Section 20 of the Colorado Constitution (Taxpayer's Bill of Rights or TABOR). Further, under Section 23-5-101.5(1), C.R.S., a state institution of higher education governing board or AHEC may designate its respective auxiliary facility or group of auxiliary facilities as an enterprise for the purposes of TABOR. Article X, Section 20(2)(d), defines a TABOR enterprise as "a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined." Entities that meet the definition of a TABOR-exempt enterprise are exempt from the revenue growth and spending limitations of TABOR.

The Office of the State Auditor (OSA) and the Legislative Audit Committee (LAC) reviewed and approved the initial TABOR enterprise designation of each of the State's 10 public institutions of higher education listed below in prior years:

- Adams State University
- Colorado Community College System
- Colorado School of Mines
- Colorado State University System
- Fort Lewis College
- Colorado Mesa University
- Metropolitan State University of Denver
- University of Colorado System
- University of Northern Colorado
- Western Colorado University

The OSA also annually reviews the TABOR enterprise designation of AHEC's auxiliary activities as designated in Section 23-5-101.5(1), C.R.S.

In accordance with Sections 23-5-101.7(4)(a), and 23-5-101.5(3)(a), C.R.S., an institution of higher education's TABOR enterprise designation shall not terminate, expire, or be rescinded as long as the institution, group of institutions, or auxiliary enterprise continues to meet the requirements for an enterprise. Determination of continuing enterprise status is made at the end of each fiscal year after final financial information is known.

When an institution of higher education as a whole loses enterprise status in the current year, its auxiliary enterprise activities may still continue to meet the requirements for an enterprise. Auxiliary activities include, for example, student housing, dining, and recreational activities, as well as parking facilities.

This section provides the final enterprise status of the 10 institutions listed above for Fiscal Year 2025, and their projected enterprise status for Fiscal Year 2026. This section also reports on the Auraria Higher Education Center's auxiliary enterprise status for Fiscal Year 2025.

Final Enterprise Status for Fiscal Year 2025

During Fiscal Year 2025, all institutions of higher education reported that they received some level of direct financial support from the State. Exhibit C.1 shows the amount of revenue earned and state and local support received by the institution of higher education enterprises for Fiscal Year 2025. Exhibit C.1 also shows that all 10 institutions received less than 10 percent of their total revenue from the State and/or local sources, and thereby qualified for TABOR-exempt enterprise status for Fiscal Year 2025.

Exhibit C.1
Institutions of Higher Education TABOR-Exempt Enterprise Status
Actual Revenues and State and Local Support
Fiscal Year 2025

	Total Revenues	State Support General Fund Appropriation Spent (Note 1)	State Allocation of PERA Direct Distribution (Note 2)	State Support Capital Appropriation Spent (Note 3)	Other State and Local Support (Note 4)	Total State and Local Support	Total support as a Percentage of Total Revenue
Adams State University	$ 80,190,819	$ -	$ 233,135	$ 2,769,868	$ 286,399	$ 3,289,402	4.1%
Colorado Community College System	$ 1,059,702,233	$ 5,562,309	$ 6,129,264	$ 57,321,925	$ 9,887,552 (Note 5)	$ 78,901,050	7.4%
Colorado School of Mines	$ 524,652,752	$ -	$ 1,431,698	$ 155,646	$ 16,063,749	$ 17,651,093	3.4%
Colorado State University System	$ 1,948,086,012	$ -	$ 3,543,337	$ 52,112,087	$ 40,656,643 (Note 6)	$ 96,312,067	4.9%
Fort Lewis College	$ 111,025,287	$ -	$ 167,184	$ 1,782,536	$ 2,380,457	$ 4,330,177	3.9%
Colorado Mesa University	$ 249,960,407	$ -	$ 324,352	$ 10,409,494	$ 2,128,474 (Note 7)	$ 12,862,320	5.1%
Metropolitan State University of Denver	$ 328,133,567	$ -	$ 810,148	$ 8,297,582	$ 26,875	$ 9,134,605	2.8%
University of Colorado System	$ 7,743,285,372	$ -	$ 6,910,736	$ 32,937,944	$ 31,644,108 (Note 8)	$ 71,492,788	0.9%
University of Northern Colorado	$ 273,306,127	$ -	$ 547,116	$ 1,586,348	$ 3,404,456	$ 5,537,920	2.0%
Western Colorado University	$ 79,397,811	$ -	$ 146,391	$ 3,113,277	$ 1,913,869	$ 5,173,537	6.5%

Source: Office of the State Auditor analysis of institution of higher education-provided financial information.
Note 1: This amount for the Colorado Community College System is comprised of appropriations of $4,500,000 for Colorado First Customized Job Training, and $1,062,309 for Division of Occupational Education.
Note 2: PERA distribution pursuant to Section 24-51-414(1), C.R.S. for Fiscal Year 2025 is appropriated from the State's budget on an annual basis and allocated to the institutions of higher education by the Office of the State Controller as a proportionate share of annual PERA contributions.
Note 3: These amounts include capital funds used during Fiscal Year 2025 and may not equal capital funds appropriated for any one year.
Note 4: These amounts include state support received from annual lease payments for capital projects financed by state certificates of participation, other state support, and local government support.
Note 5: Local government support includes approximately $1.6 million in tax support from Rangely Junior College District, $1.2 million from Pueblo County Scholarships, and $0.9 million from Moffat County Association for Justice and Crime Diversion.
Note 6: State support includes $17,501,006 to construct several facilities at the National Western Center.
Note 7: Local government support includes $700,000 from the City of Grand Junction and Mesa County that was pledged for debt service for Colorado Mesa University.
Note 8: State support includes $20,999,093 from the Tobacco Litigation Settlement Moneys Health Education Fund and marijuana research for the University of Colorado. Other state support also consists of $6,184,879 received from annual lease payments for capital projects financed by state Certificates of Participation related to the Anschutz Medical Campus.

Auxiliary Facilities Final Enterprise Status for Fiscal Year 2025

An auxiliary facility is defined in statute to include any student or faculty housing, student activity, dining, and parking facilities. Auxiliary facilities are also defined as any similar facility or activity or activity that has been historically managed as a self-supporting facility or activity. The Auraria Higher Education Center's (AHEC) auxiliary activities designated as enterprises in Section 23-5-101.5(4)(a), C.R.S., include parking, student facilities, and other auxiliaries. AHEC reports two active auxiliary activities shown in Exhibit C.2. AHEC's parking auxiliary and Tivoli Student Union auxiliary maintained enterprise status in Fiscal Year 2025.

Exhibit C.2
Auraria Higher Education Center Auxiliary Enterprises TABOR-Exempt Enterprise Status
Actual Revenues and State and Local Support
Fiscal Year 2025

	Total Revenues	State Allocation of PERA Direct Distribution (Note 1)	Total support as a Percentage of Total Revenue
Tivoli Student Union Auxiliary	$ 8,249,279	$ 44,085	0.5%
Parking Auxiliary	$ 15,649,749	$ 19,943	0.1%

Source: Office of the State Auditor analysis of AHEC provided information.
Note 1: PERA distribution pursuant to Section 24-51-414(1), C.R.S. for Fiscal Year 2025 is appropriated from the State's budget on an annual basis and allocated to AHEC by the Office of the State Controller as a proportionate share of annual PERA contributions. AHEC then calculates these PERA allocations for each auxiliary.

Projected TABOR Enterprise Status for Institutions of Higher Education for Fiscal Year 2026

Exhibit C.3 shows the estimated amount of revenue expected to be earned and state and local support expected to be received by institution of higher education enterprises in Fiscal Year 2026, as reported by each institution of higher education. Based on current projections, all of the institutions are expected to be below the 10 percent threshold for Fiscal Year 2026 except Adams State University.

Exhibit C.3
Institutions of Higher Education TABOR-Exempt Enterprise Status
Actual Revenues and State and Local Support
Fiscal Year 2026

	Total Revenues	State Support General Fund Appropriation Spent (Note 1)	State Allocation of PERA Direct Distribution (Note 2)	State Support Capital Appropriation Spent (Note 3)	Other State and Local Support (Note 4)	Total State and Local Support	Total support as a Percentage of Total Revenue
Adams State University	$ 81,596,863	$ -	$ 200,000	$ 9,664,700	$ 286,397	$ 10,151,097	12.4%
Colorado Community College System	$ 1,091,493,300	$ 5,562,309	$ 6,129,264	$ 60,992,373	$ 14,157,082 (Note 5)	$ 86,841,028	8.0%
Colorado School of Mines	$ 506,602,906	$ -	$ 1,431,700	$ 5,180,000	$ 11,711,031	$ 18,322,731	3.6%
Colorado State University System	$ 2,155,373,008	$ -	$ 3,585,500	$ 7,848,043	$ 40,690,964 (Note 6)	$ 52,124,507	2.4%
Fort Lewis College	$ 113,604,639	$ -	$ 181,135	$ 1,531,805	$ 2,395,908	$ 4,108,848	3.6%
Colorado Mesa University	$ 267,046,618	$ -	$ 342,352	$ 16,326,583	$ 2,143,336 (Note 7)	$ 18,812,271	7.0%
Metropolitan State University of Denver	$ 323,029,278	$ -	$ 810,148	$ 9,000,000	$ 15,624,129 (Note 8)	$ 25,434,277	7.9%
University of Colorado System	$ 6,411,857,130	$ -	$ 7,521,208	$ 7,293,239	$ 33,892,893 (Note 9)	$ 48,707,340	0.8%
University of Northern Colorado	$ 355,187,363	$ -	$ 547,116	$ 17,120,397	$ 3,385,144	$ 21,052,657	5.9%
Western Colorado University	$ 80,052,109	$ -	$ 146,391	$ 1,407,066	$ 1,934,691	$ 3,488,148	4.4%

Source: Office of the State Auditor analysis of Fiscal Year 2025 information provided by each institution of higher education.

Note 1: Amount for Colorado Community College System includes appropriations for $4,500,000 for Colorado First Customized Job Training, and $1,062,309 for Division of Occupational Education.

Note 2: Estimated PERA distribution pursuant to Section 24-51-414(1), C.R.S is appropriated from the State's budget on an annual basis. The estimated Fiscal Year 2026 amount is based on either the Fiscal Year 2025 amount allocated to the institutions of higher education by the Office of the State Controller as a proportionate share of annual PERA contributions, or the institutions of higher education' estimate based an average of prior year allocations.

Note 3: These amounts include estimated capital funds to be used during Fiscal Year 2025 which may not equal capital funds appropriated for any one year.

Note 4: These amounts include state support received from annual lease payments for capital projects financed by state certificates of participation, other state appropriations, and local government support.

Note 5: Local government support includes approximately $2.5 million in tax support from both Rangely and Moffat County Taxing Districts, $696 thousand from school districts for Gateway College fees, and $1.2 million in support from Pueblo County for scholarships, based on a projected increase of 5% from the current year. It also includes approximately $4.1 million of fee for service revenue paid by the State as on-behalf payments to the Auraria Higher Education Center (AHEC) for the operational and maintenance services provided by AHEC to Colorado Community College System per Senate Bil 25-316.

Note 6: State support includes $17,501,066 for the National Western Center lease purchase agreement.

Note 7: Local government support includes $700,000 from the City of Grand Junction and Mesa County that was pledged for debt service for Colorado Mesa University.

Note 8: State support includes approximately $15.6 million of fee for service revenue paid by the State as on-behalf payments to the Auraria Higher Education Center (AHEC) for the operational and maintenance services provided by AHEC to Metropolitan State University of Denver per Senate Bill 25-316.

Note 9: State support includes the estimated amount of $13,838,573 from the Tobacco Litigation Settlement Moneys Health Education Fund to the Anschutz Medical Campus, $2,000,000 from the Marijuana Tax Cash Fund to the Anschutz Medical Campus, $1,821,672 for Certificates of Participation related to the Anschutz Medical Campus, and $2,844,171 for Certificates of Participation related to University of Colorado Boulder (CU Boulder) and University of Colorado-Colorado Springs (UCCS). It also includes approximately $11.7 million of fee for service revenue paid by the State as on-behalf payments to the Auraria Higher Education Center (AHEC) for the operational and maintenance services provided by AHEC to the University of Colorado System per Senate Bill 25-316.

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